

Knowledge Management between Expectations and Reality

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ABSTRACT

The prime objective of this paper is to provide some answers to the lingering questions of KM meaning and value. The paper traces the evolutionary development of the KM concept and the related theoretical foundations that define KM expectations. It also synthesises major failure factors that plague the reality of KM implementations in practice. The paper concludes with implications of these developments for global KM.

Keywords: Knowledge Management (KM), Theoretical foundations of KM, KM Failure Factors, Global KM .

I INTRODUCTION

The world in which we live and work now is characterised by enormous social and economic change. The management literature variously refers to it as the third wave, information age, knowledge society or knowledge-based economy. Irrespective of the terminology, these names and others, all point to the profound transformation that is taking place (Handzic and Zhou 2005).

Some scholars portray today's world as a "chaotic" environment where links between cause and effects are difficult to discern, small changes can be amplified beyond comprehension and the future eludes prediction (Nonaka 1998). Other authors compare today's world to a "liquid" environment, fluid and continually changing and thus less predictable (Shrader 2007). These authors claim that by being less rigid it may be powerful enough to change the course of development. The very nature of this world implies that individuals and collectives must live with an inherent ambiguity, on the edge of stability and instability, where survival and advancement depend on a capability to find opportunities for the exercise of new strategies.

Raich (2000) argues that the current world's increased complexity, uncertainty and surprises are brought about by a "Bermuda triangle" of (a) globalisation with the increasing intensity of competition, (b) digitalisation enabled by the explosion of new information and communication technologies and (c) transformation to a knowledge-based economy driven by the recognition that knowledge assets or intellectual capital, rather than

financial capital, land or labour are the major source of continued economic growth, value and improved standard of living. The outcome from these mega-trends is a different world that involves new ways of work, new organisational forms and new economy in which wealth and wellbeing are tied to the creation and distribution of knowledge. In this new environment, individuals and collectives need to devise better ways to deal with increasing turbulence and speed of change.

Knowledge management (KM) has been hailed as the latest management response to the changing nature of the world. The basic assumption of KM is that those individuals and collectives that manage knowledge better will deal more successfully with the challenges of the new environment. Those that are unable to change or choose not to adapt in a timely manner are likely to become vulnerable and unable to compete in the future. In short, effective KM is seen as the key to one's advancement or survival in the new world (Von Krogh et al. 2000).

However, while there are widespread claims of the importance of KM, there is little shared understanding of the phenomenon itself (Handzic 2017). There are major disagreements among scholars on what constitutes KM, what its objectives are, and what value to individuals and collectives KM can bring. Therefore, the prime objective of this paper is to provide some answers to the lingering questions of KM meaning and value.

II KNOWLEDGE MANAGEMENT EVOLUTION

Knowledge management (KM) is a young discipline, only thirty or so years in the making. It is therefore not surprising that there is a lack of clarity and agreement on the KM meaning and value. The good news is that some significant advances have been made over the past decades of KM history. These advances have been well documented in the recent literature (Bolisani and Handzic, 2015). However, despite significant advances made, people are still struggling with the great variety and vagueness of different existing views of KM.

A wide variety of existing ideas, methods and target phenomena makes it a challenge to map the field of KM. Accepting this challenge and recognising KM as an evolving concept, Handzic (2017) traced its history through the review of the representative literature and the author's own research. This analysis shows that the 90s were characterised by

emergence and expansion, the 00s by consolidation and integration, while the 10s appear to be marked by re-evaluation/re-examination and re-conceptualisation. These are briefly described below.

During the 90s, the KM field was largely fragmented as shown in Earl's (2001) taxonomy of KM schools of thought. These schools are divided into three general categories: economic, behavioural and technocratic. The economic school of thought of KM focuses on the idea of knowledge as a competitive resource. From this perspective, KM aims to create value from knowledge assets by maximising the interrelationship between different types of organisations' intellectual capital. The focus of the behavioural school is on facilitating sharing and pooling of knowledge via networking, space design and a firm's strategy. The technocratic school places emphasis on systems for documenting and storing knowledge objects.

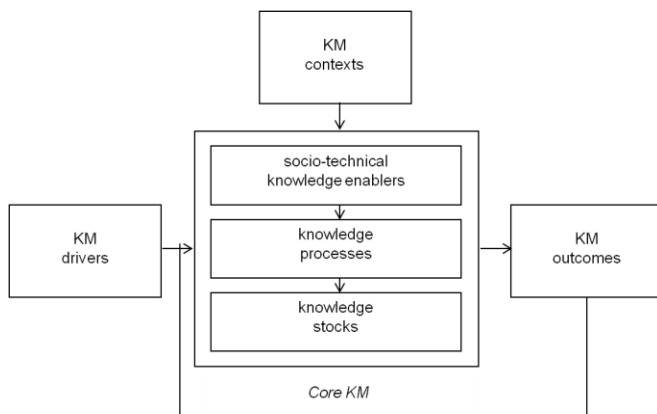


Figure 1. An Integrated KM Model.

Recognition of the problems posed by the variations between different schools of thought on KM led to a number of projects worldwide that worked on integrated models of KM during the 00s. The aim was to provide KM researchers with a holistic view, common ground and consistent terminology, and units of analysis across a variety of settings. There was also a need to develop frameworks that could help practitioners to understand the sorts of KM initiatives or investments that are possible and to identify those that make sense in their context.

In general, integrated frameworks consider KM as a complex and multidimensional concept; synthesise the object and human perspectives of knowledge; view KM as both a social and technological concept; and recognise the evolutionary and contextual nature of KM. A good example of an integrated view of KM is the author's own knowledge context-driver-enabler-process-stock-outcome model (Handzic 2003). Essentially, this

model presented in Figure 1 provides a link between different fragmented KM approaches. The main contribution of the model is that it helps organise various factors in a more meaningful way. While the model was conceived with a view of organisations, it may be applicable to different individual and collective levels.

The current 10s decade has been marked by serious re-examination and re-conceptualisation of KM. This is visible in widening and deepening of the existing integrated models of KM, as well as in emerging specialisations. Essentially, the extension trend retains the holistic approach to KM while harnessing the power of new technologies and deeper insights gained into the field for the benefit of all segments of the knowledge society and economy. With specialisation, different notions of KM came along and are gaining popularity (big data and its related concepts of business intelligence and business analytics, social knowledge, and innovation management).

On conceptual level, we have witnessed the emergence of data science that unifies statistics, data analysis and their related methods in order to understand and analyse actual phenomena with data. A very different theoretical lens on KM is provided by connectivism that contrasts traditional behavioural and cognitive approaches to learning by acknowledging the role of social and cultural contexts of learning. Among theories that revisit KM fundamentals are the the concept of nature knowledge (NK), nature knowledge theory (NKT) and its derivative human system biology-based knowledge management (HSBKM) model (Santo, 2015).

Most recently, scholars have started to call for convergence between knowledge management (KM) and other disciplines (Handzic and Durmic 2015). Some notable attempts include conceptual models connecting KM with business process management, communication management, intellectual capital and project management. Although complete disappearance of KM as a distinct field could indicate its true success, there lays a danger that organisations may forget what they knew about KM and fail to manage their knowledge for the benefit of their business. So, the "next KM generation" should make sure that KM remains relevant and rigorous to guarantee the field to proceed.

III KNOWLEDGE MANAGEMENT EXPECTATIONS

The ongoing process of transformation into knowledge economy is shifting the basis of competitiveness from tangible resources (land, labour, capital) to intangible (intellectual) assets.

The proponents of the resource-based view to achieving competitiveness argue that organisations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it (Barney 1991). In an RBV model, both tangible and intangible resources are considered important. In comparison, a knowledge-based view of the firm (Grant, 1996) considers knowledge as the single most strategically significant resource of the firm because of its complexity, heterogeneity, and difficulty to imitate.

For organisations competing in the new economy, the ability to identify and leverage their knowledge assets plays a critical role. Consequently, companies are facing challenges to better utilise their knowledge assets. Effective KM is seen as the key to survival and prosperity in the new economy. KM can impact organisational performance in a number of ways. These can be grouped into three broad categories: (i) risk minimisation through knowledge retention (ii) efficiency improvement through transferring experiences and best practices throughout the organisation; and (iii) innovation through fostering an “entrepreneurial spirit” and giving employees time, resources, and support to pursue new ideas (Von Krogh et al, 2000). Other possible outcomes of KM include customer intimacy, product-to-market excellence, operational excellence (O’Dell et al. 2003), reputation (Holsapple and Singh, 2003), employee learning and satisfaction, impacts on processes and products, direct and indirect impacts on organisational performance through advertising and demonstrating intellectual leadership in industry (Becerra-Fernandez et al. 2004), and increases in revenue and profit (Earl 2001).

To be successful in retaining knowledge, organisations need to identify critical knowledge, use different tools to retain it, build an open, responsive and trusting environment, and integrate knowledge processes with learning and innovation. For enhancing competitive productivity, organisations need to provide better knowledge, change organisational processes and culture, and employ an appropriate mix of technologies to enable access to the knowledge that people need, at the time they need it, in the form that they need it. To be successful in innovation, organisations need to take a strategic view of knowledge, formulate knowledge visions, tear down knowledge barriers, develop new corporate values and trust, catalyse and coordinate knowledge creation, manage the various contexts involved, develop a conversational culture, globalise local knowledge and localise global knowledge. Above all, it is important to note that these specific strategies need to be aligned with the overall organisational goals and missions.

IV KNOWLEDGE MANAGEMENT REALITY

The theoretical benefits of knowledge management are clear. However, studies of KM initiatives carried out in the real world reveal the gap between theory and practice. KM failures are a reality which both practitioners and researchers need to deal with.

Liebowitz (2016) grouped various reasons why KM may have difficulties into six categories: Culture, Measurement, Strategy, Structure, Leadership, Technology and the lack of KM understanding and standards. In comparison, Frost (2014) classified the main reasons why organisations fail to make KM work into two broad categories: causal and resultant.

Causal factors refer to the broad organisational and managerial issues that are required to implement KM successfully (Lack of performance indicators and measurable benefits; Inadequate management support; Improper planning, design, coordination, and evaluation; Inadequate skill of knowledge managers and workers; Problems with organisational culture; and Improper organisational structure).

Resultant factors on the other hand deal with specific problems and can be regarded more like the symptoms rather than the disease (Lack of widespread contribution; Lack of relevance, quality, and usability; Overemphasis on formal learning, systematisation, and determinant needs; Improper implementation of technology; Improper budgeting and excessive costs; Lack of responsibility and ownership; and Loss of knowledge from staff defection and retirement).

In order to show the relationships and interplay between different failure factors and thus help practitioners to understand where to engage most effort Schmidl et al. (2011) arranged these factors into a triangular structure with person-centric, technology centric and organisation-centric parts. Individual factors are assigned to those parts of the triangle believed to be most influential for their proper implementation. Furthermore, Akhavan and Pezeshkan (2014), traced critical failure factors along KM implementation cycle. Their approach shows the critical failure factors’ effect in each specific stage of the KM cycle.

This somewhat dark picture of what causes KM to fail has been painted not to depress, but rather to draw attention to the fact that these issues can be addressed. The above review reveals that the critical failure factors are all internal to organisation and therefore can be changed. Such findings resulting from studies of commercial organisations may have implications for other stakeholders in the knowledge era.

V IMPLICATIONS FOR GLOBAL KNOWLEDGE MANAGEMENT

Recently, KM analysis of commercial firms has been extended to non-profit organisations, sometimes to cities, regions or countries, but surprisingly not at all to the global worldwide level (Tome and Figueiredo 2015). Given the fact that we live in a global knowledge era, the issue of global KM deserves more attention. Is KM done at worldwide level? And if it is, how it is done? And with what results?

Due to the lack of relevant research studies, the author tried to get some sense of the issue by posing the following question at ResearchGate: “The world is currently experiencing some major problems with hunger, wars and refugees being some of the most pressing (in my opinion). Do you think that KM can solve these problems and if so, how?”. (https://www.researchgate.net/post/Can_KM_Solve_World_Problems). The question received mixed responses ranging from complete denial to offering specific how-to advices, to full conceptual models such as a personal knowledge for development framework.

The lack of any agreement among respondents prompted further search for potential theoretical foundations and frameworks for global KM. Among several macro level theories identified by Viedma (2017) knowledge-based development (KBD) appeared most promising.

Carrillo (2014) defines KBD as: “the collective identification and enhancement of the value set whose dynamic balance furthers the viability and transcendence of a given community” This definition goes beyond the instrumental view of knowledge for achieving competitiveness and financial performance. It refers to an economic, political and cultural order. The promise of KBD is to contribute to the understanding and design of human coexistence in knowledge-intensive settings. It helps to set up an agenda for knowledge societies in terms not just of economic productivity, but also in terms of a qualitative evolution in the human condition.

Recently, the Knowledge for Development Global Partnership Conference held in Geneva in 2017 reviewed knowledge management practices in the field of sustainable development and presented a new agenda to strengthen knowledge societies and economies for development (Brandner and Cummings 2017). Most importantly, it recognised knowledge as an essential, overarching element for the achievement of Agenda 2030 for Sustainable Development. The Agenda 2030 (<http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>). covers a broad range

of social and economic development issues (poverty, hunger, health, education, gender equality, climate change, water, energy, urbanisation, environment and social justice).

The review of knowledge management in the United Nations system (Dumitriu 2016) showcased initiatives and experiences that already exist and recommended new system-wide approaches. These recommendations are aimed at enhancing the role of knowledge management in the service of the 2030 Agenda. They are clustered as follows: (a) Filling the gaps in knowledge management system-wide, based on existing practices (strategy and guidelines); (b) Valorising human resources and the knowledge acquired by staff in their organisations (procedures and measurement); (c) Stimulating common system-wide initiatives, in general, and in the specific context of the 2030 Agenda for Sustainable Development (training, sharing lessons learnt, integrated collaborative approach)

The above discussion shows that global KM is driven by Agenda 2030, but it is still work in progress. However, the work done so far suggests affirmative answer to the question “Can KM solve world problems?”. Yes, KM can! Albeit gradually and continually.

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